

2011 Property Tax Report

Jennings County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Jennings County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Jennings County

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	4,334	64.2%	503	7.5%
No Change	454	6.7%	107	1.6%
Lower Tax Bill	1,959	29.0%	6,137	91.0%
Average Change in Tax Bill	2.7%		-24.1%	
Detailed Change in Tax Bill				
20% or More	267	4.0%	238	3.5%
10% to 19%	609	9.0%	79	1.2%
1% to 9%	3,458	51.3%	186	2.8%
0%	454	6.7%	107	1.6%
-1% to -9%	1,615	23.9%	498	7.4%
-10% to -19%	156	2.3%	1,146	17.0%
-20% to -29%	47	0.7%	1,419	21.0%
-30% to -39%	35	0.5%	1,246	18.5%
-40% to -49%	21	0.3%	802	11.9%
-50% to -59%	13	0.2%	270	4.0%
-60% to -69%	11	0.2%	174	2.6%
-70% to -79%	7	0.1%	123	1.8%
-80% to -89%	6	0.1%	94	1.4%
-90% to -99%	7	0.1%	69	1.0%
-100%	41	0.6%	296	4.4%
Total	6,747	100.0%	6,747	100.0%

Note: Percentages may not total due to rounding.

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*TAX RATES FELL BUT THE
 STATE HOMESTEAD CREDIT
 WAS ELIMINATED, RESULTING
 IN A SMALL HOMESTEAD TAX
 INCREASE IN 2011*
 ★★★★★★

Homestead Property Taxes

Homestead property taxes increased 2.7% on average in Jennings County in 2011. This was less than the state average of 4.4%. Jennings County homestead taxes were 24.1% lower in 2011 than they were in 2007, before the big tax reform. The homestead tax increase in 2011 was due to the phaseout of the state homestead credit in 2011. The state homestead credit was 4.0% in Jennings County in 2010. Tax rates decreased in Jennings in 2011, so homestead taxes might have decreased but for the elimination of the state homestead credit.

Tax Rates

Property tax rates decreased in almost all of Jennings County tax districts. The average tax rate declined by 0.2% because of a decline in the levy. Levies in Jennings County decreased by 1.4%. The biggest levy reduction was the elimination of the county welfare loan levy. Jennings County's total net assessed value increased 2.8% in 2011. (The certified net AV used to compute tax rates declined by 1.2%.) Homestead and agricultural net assessments increased by 2.7% and 3.7%, respectively. Other residential assessments showed a small decrease at 0.4%, while business net assessments increased by 3.5%.

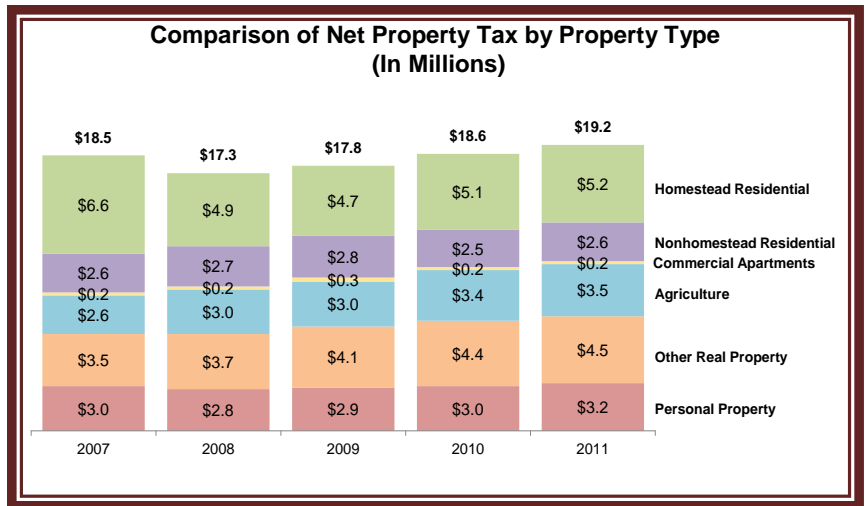
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**SMALL TAX BILL INCREASES FOR MOST
CATEGORIES OF NONHOMESTEAD
PROPERTY**

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 3.2% in Jennings County in 2011, similar to the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 5.8%. Tax bills for commercial apartments stayed about the same. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased by 3.3%. Agricultural tax bills rose 3.0%. This was mainly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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**TAX CAP CREDITS INCREASED
IN 2011**

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Total tax cap credit losses in Jennings County were \$741,615, or 3.9% of the levy. This was less than the state average loss rate of 9.2%, but near the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Jennings County's tax rates were near the state median.

More than two-thirds of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category. Very little was in the 3% business category, because Jennings County had only one taxing district with a rate above \$3 per \$100 assessed value. The largest percentage loss was in the city of North Vernon. The largest dollar losses were in the city of North Vernon, the Jennings County School Corporation, and the county unit.

Jennings County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$106,100	\$507,554	\$3,244	\$27,216	\$644,114	3.3%
2011 Tax Cap Credits	138,390	534,884	32,074	36,267	741,615	3.9%
Change	\$32,290	\$27,330	\$28,831	\$9,051	\$97,502	0.5%

Tax cap credits increased in Jennings County in 2011 by \$97,502, or 15%. The additional credits

represent an added loss of 0.5% of the total tax levy. The increase in tax cap credits was spread almost equally among the 1%, 2%, and 3% tax cap categories. The increase was mainly due to increases in tax rates in the two taxing districts which already had the highest tax rates. The elimination of the state homestead credit added to the 1% tax cap credit increase.

The Effect of Recession

The 2009 recession had an effect on Jennings County assessments for pay-2011. Nonagricultural property values and construction activity appear to have fallen or remained stagnant in Jennings County in 2009. A more usual assessment increase would have reduced tax rates more, preventing the increase in tax cap credit losses.

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**2009 RECESSION REDUCED
ASSESSMENT GROWTH IN 2011**

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$751,635,900	\$754,142,901	0.3%	\$284,485,353	\$292,175,283	2.7%
Other Residential	105,786,400	105,409,400	-0.4%	102,676,944	102,290,917	-0.4%
Ag Business/Land	170,103,100	176,174,800	3.6%	169,376,423	175,562,151	3.7%
Business Real/Personal	351,359,669	347,195,580	-1.2%	275,182,969	284,889,470	3.5%
Total	\$1,378,885,069	\$1,382,922,681	0.3%	\$831,721,689	\$854,917,821	2.8%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Jennings County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	22,533,152	22,907,138	16,287,337	17,339,271	17,101,330	1.7%	-28.9%	6.5%	-1.4%
State Unit	20,097	21,519	0	0	0	7.1%	-100.0%		
Jennings County	5,390,016	5,181,652	4,311,373	4,872,654	4,622,676	-3.9%	-16.8%	13.0%	-5.1%
Bigger Township	15,592	16,089	17,155	17,133	17,084	3.2%	6.6%	-0.1%	-0.3%
Campbell Township	23,000	23,616	24,331	24,926	25,167	2.7%	3.0%	2.4%	1.0%
Center Township	79,232	80,886	87,350	101,663	108,301	2.1%	8.0%	16.4%	6.5%
Columbia Township	12,051	12,957	13,232	13,888	14,303	7.5%	2.1%	5.0%	3.0%
Geneva Township	79,081	79,155	77,622	77,389	76,640	0.1%	-1.9%	-0.3%	-1.0%
Lovett Township	12,285	12,841	13,509	14,011	14,269	4.5%	5.2%	3.7%	1.8%
Marion Township	15,203	16,048	16,925	17,559	17,941	5.6%	5.5%	3.7%	2.2%
Montgomery Township	18,486	18,818	18,974	19,372	16,297	1.8%	0.8%	2.1%	-15.9%
Sand Creek Township	17,126	27,684	27,885	28,246	28,751	61.6%	0.7%	1.3%	1.8%
Spencer Township	27,019	26,870	26,074	25,791	15,896	-0.6%	-3.0%	-1.1%	-38.4%
Vernon Township	0	36,191	49,024	48,445	49,348		35.5%	-1.2%	1.9%
North Vernon Civil City	2,159,255	2,137,030	2,341,219	2,287,071	2,316,365	-1.0%	9.6%	-2.3%	1.3%
Vernon Civil Town	20,192	20,041	21,398	22,149	22,914	-0.7%	6.8%	3.5%	3.5%
Jennings County School Corporation	14,176,320	14,638,459	8,749,952	9,255,983	9,261,951	3.3%	-40.2%	5.8%	0.1%
Jennings County Public Library	280,512	365,827	378,578	397,721	407,417	30.4%	3.5%	5.1%	2.4%
Southeastern Indiana Solid Waste Mgt Dist	104,669	108,493	112,736	115,270	86,010	3.7%	3.9%	2.2%	-25.4%
North Vernon Redevelopment Commission	83,016	82,962	0	0	0	-0.1%	-100.0%		

Jennings County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
40001	Bigger Township	1.9853	--	--	--	--	--	--	1.9853
40002	Campbell Township	2.0013	--	--	--	--	--	--	2.0013
40003	Center Township	1.9970	--	--	--	--	--	--	1.9970
40004	North Vernon City	3.0220	--	--	--	--	--	--	3.0220
40005	Columbia Township	1.9475	--	--	--	--	--	--	1.9475
40006	Geneva Township	1.9622	--	--	--	--	--	--	1.9622
40007	Lovett Township	1.9486	--	--	--	--	--	--	1.9486
40008	Marion Township	1.9612	--	--	--	--	--	--	1.9612
40009	Montgomery Township	1.9721	--	--	--	--	--	--	1.9721
40010	Sand Creek Township	1.9960	--	--	--	--	--	--	1.9960
40011	Spencer Township	1.9275	--	--	--	--	--	--	1.9275
40012	Vernon Township	1.9884	--	--	--	--	--	--	1.9884
40013	Vernon Town	2.3490	--	--	--	--	--	--	2.3490
40014	Hidden Valley	1.9622	--	--	--	--	--	--	1.9622

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Jennings County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total		
<i>Non-TIF Total</i>	138,390	534,518	23,774	36,267	732,949	17,101,330	4.3%
<i>TIF Total</i>	0	366	8,300	0	8,666	2,128,483	0.4%
<i>County Total</i>	138,390	534,884	32,074	36,267	741,615	19,229,813	3.9%
Jennings County	28,913	108,779	4,820	10,377	152,888	4,622,676	3.3%
Bigger Township	0	0	0	10	10	17,084	0.1%
Campbell Township	8	8	0	35	51	25,167	0.2%
Center Township	1,053	3,876	175	392	5,496	108,301	5.1%
Columbia Township	6	0	0	10	16	14,303	0.1%
Geneva Township	42	0	0	141	183	76,640	0.2%
Lovett Township	8	0	0	76	84	14,269	0.6%
Marion Township	0	0	0	27	27	17,941	0.1%
Montgomery Township	5	0	0	72	77	16,297	0.5%
Sand Creek Township	27	0	0	6	33	28,751	0.1%
Spencer Township	16	0	0	61	77	15,896	0.5%
Vernon Township	60	91	0	75	226	49,348	0.5%
North Vernon Civil City	47,227	191,031	8,607	2,916	249,782	2,316,365	10.8%
Vernon Civil Town	11	1,174	0	169	1,354	22,914	5.9%
Jennings County School Corp	57,929	217,948	9,657	20,791	306,325	9,261,951	3.3%
Jennings County Public Library	2,548	9,587	425	915	13,475	407,417	3.3%
Southeastern Indiana Solid Waste Mgt Dist	538	2,024	90	193	2,845	86,010	3.3%
North Vernon Redevelopment Comm	0	0	0	0	0	0	
TIF - North Vernon City	0	366	8,300	0	8,666	2,128,483	0.4%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.